

Proposed HOPE Regulations (Version 5/10/2024)

California Code of Regulations

Title 10: Investment

Chapter 16: California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program

General

§ 1000 Definitions

- (a) Except where additional definitions are provided here, all meanings of the terms defined in Section 18997.51 of the Welfare and Institutions Code (“WIC”) apply wherever the same terms are used throughout this Chapter, including “Account,” “trust account,” “HOPE trust account,” “Board,” “Department,” “Eligible child,” “Eligible youth,” “Fund,” “HOPE Trust Account Program,” “program,” and “program enrollee.”
- (b) “COVID-19” means the illness caused by any variants of the virus SARS-CoV-2 recognized by the Centers for Disease Control or the California Department of Public Health.
- (c) “Long-COVID” means the long term effects caused by any variants of SARS-CoV-2, also known by terms including post-acute sequelae of COVID-19 (PASC), chronic COVID, long COVID, long haul COVID, long hauler COVID, postacute sequelae SARS-CoV-2 infection, post COVID, post COVID syndrome, post COVID condition (PCC), or any variation thereof that has been recognized by the Centers for Disease Control or the California Department of Public Health.
- (d) “Consequence of COVID-19 or long COVID” means an illness, condition, or affliction that the Centers for Disease Control or the California Department of Public Health has recognized as being a result of COVID-19 or long-COVID.
- (e) “Financial education and money management training services” means to teach eligible program enrollees how to develop financial skills and practices, through efforts such as workshops, classes, seminars, coaching, and mentoring, that maximize economic autonomy, including but not limited to how to build wealth; budgeting for short and long-term goals; identifying opportunity costs; saving, establishing, using, and maintaining credit; investing and managing investments; protecting and insuring assets for future benefit; and applying for and navigating government, nonprofit, and other programs that support building their income and wealth.
- (f) “Medi-Cal” means California’s Medicaid health care program under the Welfare and Institutions Code, Chapter 7 (commencing with Section 14000) of Part 3.
- (g) “Primary caregiver” is a person who has assumed a major long-term role in a minor child's life as would a parent, Indian custodian, or legal guardian by meeting the child’s needs in the areas of physical and emotional health, safety, and well-being and ensuring that the child has access to necessary housing, medical, social, and educational services, and that, for the purposes of the HOPE program, can provide necessary documentation relating to a child’s eligibility and facilitate the child’s participation in the program.

(h) "Qualified nonminor" is a person who is 18 years old or older at the time of enrollment in the HOPE program who met all eligibility criteria under WIC Section 18997.51(d)(1) or (d)(2) when they were under 18 years old.

(i) "Residency in California" means any of the following:

- (1) Adjudged a dependent child of the juvenile court on the grounds that the child is a person described by WIC Section 300, or the child has been adjudged a ward of the juvenile court on the grounds that the child is a person described by WIC Sections 601 or 602;
- (2) A dependent child of the court of an Indian tribe, consortium of tribes, or tribal organization who is the subject of a petition filed in the tribal court pursuant to the tribal court's jurisdiction in accordance with the tribe's law and the tribe has notified the California Department of Social Services about the child's status as a dependent child under the tribal court;
- (3) The child and at least one parent, Indian custodian, legal guardian, or primary caregiver have a significant connection with California other than mere physical presence and substantial evidence is available concerning the child's care, protection, training, and personal relationships in California, as demonstrated by records such as school records, medical records, childcare documentation, utility statements, employment paystubs, California state issued driver's license, and California vehicle registration.

#### § 2000 Eligibility

(a) Eligibility for HOPE accounts under WIC section 18997.51 (d)(1), Covid-bereaved, will be determined by all of the following factors:

- (1) Establishment of a Covid-19 related death of parent, Indian custodian, or legal guardian: The parent, Indian custodian, or legal guardian must have died on or after March 1, 2020, the beginning of the national emergency concerning the Novel Coronavirus Disease (COVID-19) Outbreak, 85 Fed. Reg. 53, 15337 (March 18, 2020) as shown by
  - (a) a death certificate that states the date of death and that the cause or underlying cause of death was COVID-19, long-COVID, or a consequence of COVID-19 or long-COVID; or
  - (b) A signed statement under penalty of perjury of a qualified nonminor, a minor's living parent, Indian custodian, legal guardian, or primary caregiver that states the date of death and that the cause or underlying cause of death was COVID-19, long-COVID, or a consequence of COVID-19 or long-COVID, along with documentation that the person was diagnosed or was in the process of being diagnosed with COVID-19 or long-COVID.
- (2) Establishment of age, residency in California, and relationship with the decedent at the time decedent's death: The decedent must have been the parent, Indian custodian, or legal guardian of the child or youth to be enrolled and the child or youth to be enrolled must have been under 18 years old and a resident of California when the decedent died. These facts may be determined by reference to any combination of
  - (a) U.S. or foreign government documents pertaining to the child or youth, or their parent, Indian custodian, or legal guardians, such as birth certificates, medical

records, passports, voter registration, vehicle registration, drivers' licenses, or school records;

- (b) records that demonstrate the child or youth's residency in California as defined herein; or,
- (c) a statement affirming the information provided under section 2000 (a)(1)(2) is true and accurate and to be signed by a qualified nonminor, parent, Indian custodian, legal guardian, or primary caregiver under penalty of perjury.

(3) Income eligibility: The family household income in the year prior to the death of the decedent must be equal to or less than that which was required to qualify the child for enrollment in Medi-Cal in the same time period. This may be determined by reference to

- (a) actual enrollment in Medi-Cal in the year prior to the decedent's death,
- (b) enrollment in a local, state, or federal program in the year prior to the decedent's death that had the same or lower income qualification as Medi-Cal in that same year,
- (c) family household state or federal income tax records for the last tax year before the decedent died meeting Medi-Cal income eligibility in that same year,
- (d) information obtained through the Income and Eligibility Verification System (IEVS) meeting Medical income eligibility,
- (e) verification of income by a local, state, or federal government agency the family household income was equal to or less than that required for Medi-Cal income eligibility in the year prior to the decedent's death, or
- (f) upon the inability to determine these facts through (a)-(e) in this section, a signed statement under penalty of perjury of the minor's parent, legal guardian, or primary caregiver or by the qualified nonminor that the family household income was equal to or less than that required by Medi-Cal in the year prior to the decedent's death.

(b) Eligibility for HOPE accounts and annual deposits under WIC section 18997.51 (d)(2), foster eligibility, will be determined by the California Department of Social Services.

(1) The requirement that an eligible child under this section must reach at least 18 months in care may be met by adding up time in care and need not be consecutive.

(2) Program enrollees who become dependents or wards of the court under Section 300 or Section 601 or 602, after being reunified with their parents, adopted, or placed in legal guardianship, shall not be required to reach an additional 18 months in care to be eligible for additional deposits to their HOPE Account.

(c) Appeals process.

(1) Parents, Indian custodians, legal guardians, and primary caregivers of children who were denied enrollment, as well as youth 18 years old and over who were denied enrollment as a qualified nonminors, may submit a written appeal within sixty (60) days of denial. The appeals should be sent to: [HOPEforChildren@treasurer.ca.gov](mailto:HOPEforChildren@treasurer.ca.gov) with the subject heading: HOPE eligibility appeal

- (2) The appeal must include information and documentation that was not previously submitted and is being submitted for reconsideration of qualification. Appeals will be heard, considered, and responded to within sixty (60) days of the receipt of the notice of appeal.

(d) Eligibility for withdrawal or transfer of funds from HOPE accounts may be determined by reference to documents listed in Section 2000 (a)(2) that identify the eligible youth's 18th birthday.

- (1) Eligible youth or their legal representative must withdraw all funds in the youth's HOPE account prior to the program enrollee's 27th birthday.

#### § 3000 Enrollment

- (a) HOPE program administrators shall work with the Department of Social Services, the Department of Public Health, and other California state and local government agencies to verify all eligibility criteria except for information that can only be provided by the potentially eligible child, a qualified nonminor, their living parent, Indian custodian, legal guardian, or primary caregiver.
- (b) HOPE administrators shall also use information provided by, but not limited to, potentially eligible children, their parent, Indian custodian, legal guardian, or primary caregiver, qualified nonminors, as well as state, county, local and tribal government agencies, and community organizations to identify potentially eligible children.
- (c) Upon verification of eligibility, HOPE shall enroll eligible children and qualified nonminors, create HOPE accounts for them, and begin making annual deposits to those accounts.

#### § 4000 Deposits

(a) The HOPE executive director may establish or modify the amount and timing of annual deposits to HOPE Accounts to maximize the number of program enrollees, participation by eligible children and their autonomous wealth-building capacity, and the amount of funds deposited per account based on consideration of all of the following criteria:

- (1) The number and age distribution of program enrollees;
- (2) Money available from the HOPE Fund and any other sources that may be used to make deposits in HOPE Accounts;
- (3) Ensuring that eligible youth will be able to withdraw the maximum amount possible from their HOPE Accounts upon reaching 18 years of age in amounts that adjust for inflation after 2025, and
- (4) Grants, gifts, appropriations, and other money received from federal, state, or local government or any other person, firm, partnership, corporation, or other entity for deposit to the fund.

#### § 5000 Disbursement

(a) The amount of money requested and available in an eligible youth's HOPE account will be disbursed upon request to the eligible youth via electronic funds transfer to an account that is

solely owned in their own name at an FDIC-insured, federally regulated financial services institution.

(b) Eligible youth must request all funds in their HOPE account before their 27th birthday.

#### § 6000 Notification

(a) Initial Notification: HOPE shall notify program enrollees that they have been enrolled in the HOPE program.

(1) HOPE shall notify Covid-bereaved program enrollees who were determined to be eligible under WIC section 18997.51 (d)(1) by mail or email direct to the program enrollee, their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s).

(2) HOPE shall provide materials that shall be distributed to foster eligible program enrollees eligible under WIC section 18997.51 (d)(2), their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s), interagency agreements with CDSS and tribal authorities.

(a) CDSS and tribal authorities may also provide HOPE developed materials to program enrollees' case workers and tribal child welfare representatives assigned to the program enrollees by relevant county welfare and social services agency and tribal authorities.

(3) HOPE shall notify foster eligible program enrollees who were determined to be eligible under WIC section 18997.51 (d)(2) and are no longer dependents or wards of the court under Section 300 or Section 601 or 602 by mail or email direct to the program enrollee, their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s).

(b) Annual Notification.

HOPE shall annually notify via mail or email the program enrollee, their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver the amount in the program enrollee's account, when the program enrollee will be eligible to withdraw the funds, the amount expected to be available when the program enrollee can first draw down monies available to them, the expected monetary total if the program enrollee opts to leave the money invested in the account for the maximum period possible, and how to access financial planning and management services.

#### § 7000 Online Eligibility Portal and Account Dashboard

(a) HOPE will create and maintain an online eligibility portal that is accessible via both a webpage and smart phone app through which potentially eligible children and qualified nonminors and their parent(s), legal guardian(s), Indian custodian(s), primary caregiver(s) or others may provide the minimum information necessary to enable HOPE and interagency partners to determine and verify their eligibility.

(b) HOPE will provide all program enrollees access to an account dashboard accessible by website and smart phone app that will state, at minimum, the amount in the program enrollee's account, when program enrollee will be eligible to withdraw the funds, the amount expected to be available

when the program enrollee can first draw down monies available to them, the expected monetary total if the program enrollee opts leave the money invested in the account until they must withdraw it (prior to their 27<sup>th</sup> birthday), and how to access financial planning and management services.

(1) The account dashboard shall be accessible by the program enrollee as well as their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s) until the program enrollee turns 18.

(2) Upon turning 18, the program enrollee will have sole access and may opt to provide another adult access to their account dashboard.

#### § 8000 Data Collection, Privacy, and Confidentiality

(a) The program administrator or its designee may request, gather, and maintain demographic information regarding eligible children, program enrollees, and eligible youth in the HOPE Accounts program, such as gender, ethnicity, geographic location, language, and general income level, in order to improve the administration of, and services provided by, the HOPE program. Such information may be voluntarily provided by the program enrollee, their parent(s), legal guardian(s), Indian custodian(s), or primary caregiver(s)

(b) Any information compiled pursuant to this Section shall be maintained by the Board and protected consistent with the requirements of the Information Practices Act of 1977. (Civil Code Section 1798, et seq.)

#### § 9000 Fund Management and Investment [reserved]

#### § 10000 HOPE Financial Education and Money Management Training Services

(a) HOPE program enrollees are eligible to receive financial planning and management services through HOPE partnerships on or after their 13th birthday through age 30.

(b) The HOPE program shall offer these services to eligible program enrollees through partnerships with government, community-based, nonprofit, social entrepreneur, and other similar service providers.

(c) Financial planning and management service providers will be selected for partnerships based on their capacity to provide age-appropriate, trauma-informed, and evidence-based curricula and mentorship services that help program enrollees develop a plan for maximizing their economic autonomy and wealth building capacity.

(d) HOPE will regularly review partnerships for quality of performance and ongoing sustainability.